



January 8, 2015



Spotlight: Partnership Announced for Major Broadband Internet Project

Most important infrastructure project in 50 years

Governor Steve Beshear and Congressman Hal Rogers made an exciting announcement on Dec. 23 that may be one of the biggest gifts for the Commonwealth!

And, the Finance Cabinet has led the entire process negotiating the contract with Macquarie Capital in a new public-private partnership to develop a robust, reliable, “backbone or middle-mile” fiber infrastructure to bring high-speed Internet connectivity to every corner of the Commonwealth – with the critical first components scheduled to be operational in less than two years.

“We are on an aggressive timeline and believe that the Macquarie team’s technical capabilities and history of innovative solutions are the best fit for this important project,” said Gov. Beshear. “Kentucky’s Internet speed and accessibility have lagged behind the rest of the nation far too long. This partnership puts us on the path to propel the Commonwealth forward in education, economic development, health care, public safety and much more.”

This infrastructure project, currently referred to as the Next Generation Kentucky Information Highway (NG KIH), is unlike any other seen in Kentucky in the last 50 years. Broadband, now considered an essential utility service, will improve Kentucky’s dismal connectivity and slow speeds to some of the fastest and highest

capacity service in the U.S. – all with the potential to lower consumer costs and improve coverage as well.

Just as important, this project will be paid for up front by leveraging private capital at no additional cost to Kentucky taxpayers.

“If we were to rely solely on state government funding to get this project off the ground, it would take years, if not decades. Those kinds of tax dollars just aren’t available,” said Gov. Beshear. “In this technology-dependent economy, we can’t afford to wait another minute. That’s why this partnership is so valuable – it ramps up this project to the speed of the private sector without any additional burden on our taxpayers.”

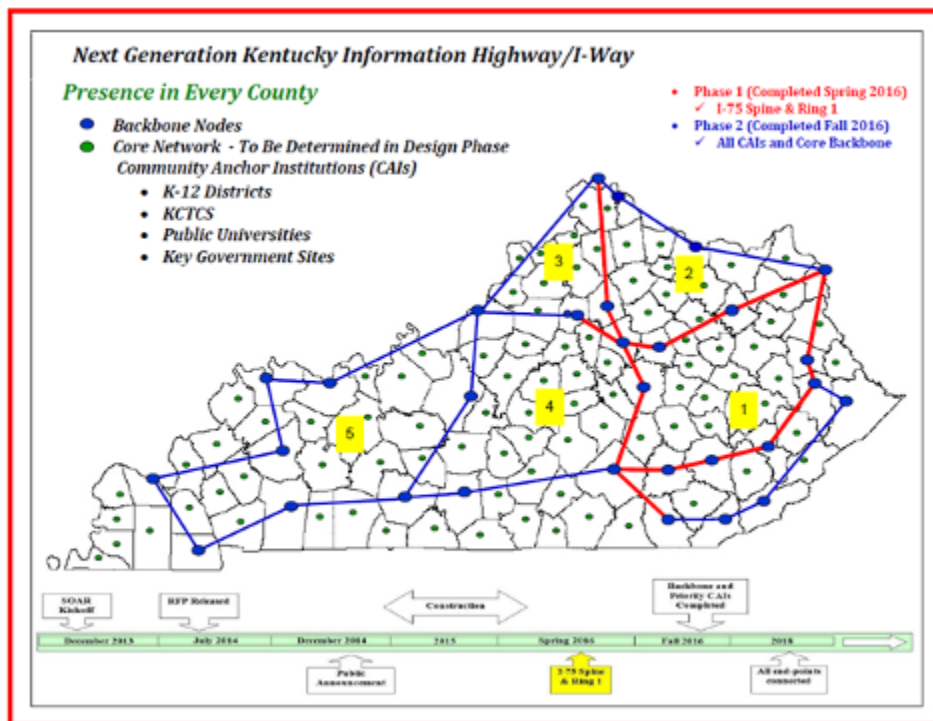
For the Finance team, the last six months have been a whirlwind of activity—from the initial RFP to negotiating details to awarding a contract.

“We are so fortunate to have the right people in place to get this important project done,” said Sec. Lori H. Flannery. “This truly will be a legacy for Gov. Beshear and the Finance Cabinet has been instrumental in taking this from concept to reality.”

According to the trade publication Broadband Technology Report,

Kentucky is a state to watch as we are reshaping the public-private partnership (PPP).

One main reason to watch Kentucky is that the NG KIH is “open access” and will allow the private sector to use the fiber to deliver services into communities. Once complete, other Internet service provider companies, cities, partnerships, or other groups may then tap into those “middle mile” lines to complete the “last mile” – the lines that run to individual homes or businesses.



Improved cell phone coverage is anticipated as part of the initiative. Cell phone companies may choose to use the state's "middle-mile" fiber network to add capacity and broaden coverage areas throughout the Commonwealth that have traditionally had poor cell phone reception.

When completed, the more than 3,000 miles of fiber will be in place across the state. This "middle-mile" fiber infrastructure is key to reaching much of Kentucky's large rural population. Fiber will be available in all 120 counties, and the underserved eastern Kentucky region will be the first priority area for the project.

Macquarie Capital, an Australian-based company, has assembled a team of market-leading specialists to design, develop and operate the network over the next 30 years. Macquarie's consortium partners include First Solutions, Fujitsu Network Communications Inc., Black & Veatch, and Bowlin Group.

Work will begin immediately on phase one to design the overall statewide system and determine the project's scale. The design and cost estimates are due by the end of February 2015 with construction of the first segments expected to begin in the summer and completed by April 2016. The total cost of the project will depend upon the ability to leverage existing infrastructure versus deploying new routes, which will be determined during the design phase. Overall, the project is estimated to cost between \$250 million to \$350 million, and will be supported by approximately \$30 million in state bonds and \$15 to \$20 million in federal grants.



Gov. Beshear, Congressman Rogers, Rep. Atkins & Rep. Stumbo with Macquarie consortium partners.

**Check out the
Finance Cabinet
2015 Legislative
Overview.
[Click here.](#)**

**News from
Kentucky Housing
Corporation**

Money Tight? Get Free Help!



KENTUCKY HOMEOWNERSHIP
PROTECTION CENTER
Protect My Kentucky Home

The Kentucky Housing Corporation (KHC) is currently doing a new campaign for the Unemployment Bridge Program, which is being advertised on Pandora to reach Kentucky homeowners who are struggling to make their house payment. Hardship often strikes right after the holidays. Feel free to share this information with friends or family who may be struggling.

Unemployment Bridge Program Helps Struggling Homeowners

The Kentucky Unemployment Bridge Program (UBP) is a forgivable loan option for eligible applicants to assist them in making their mortgage payments. To be eligible, the applicant must have experienced a loss of income due to unemployment or a reduction in income due to substantial underemployment or a qualifying disability within the previous three-year window.

The UBP is not for job or income loss due to divorce, death, or short-term disability. The qualifying event must have occurred within the three-year period prior to date of application.

The maximum amount of assistance is \$30,000 or 18 months, whichever occurs first. Beginning with closings on or after Monday, October 13, 2014, up to the maximum \$30,000 may be used for reinstatement, all related fees, and payments to bring loan(s) current, if needed. Any remaining assistance may be used for monthly mortgage payments up to 18 months or until the maximum assistance amount is reached.

Full details are available at <http://protectmykyhome.org/Pages/Unemployment-Bridge-Program.aspx>. Website: www.ProtectMyKYHome.org

Money Tight? Get Free Help!



The Kentucky Unemployment Bridge Program (UBP) can help eligible homeowners make their mortgage payments.

- To be eligible, the homeowner must have experienced a job loss or reduction in income due to changing economic conditions, through no fault of their own, or a long-term/permanent disability, and must demonstrate a need for assistance.
- The employment or disability-related event must have occurred within the three-year period prior to the date of application.
- The maximum amount of assistance is \$30,000 or 18 months, whichever occurs first.

Other qualifications apply.
There is no charge for this service.
To get started, contact the
Kentucky Homeownership Protection Center today!

ProtectMyKYHome.org
866-830-7868





Kentucky General Assembly Convenes for 2015 Regular Session



Members of the Kentucky General Assembly gavelled in on Tuesday, Jan. 6 to begin the 2015 regular session. With this year being an odd numbered year, the session will be a short 30-day session and officially ends on Tuesday, March 24. The calendar is online at http://www.lrc.ky.gov/sch_vist/15RS_calendar.pdf.

Gary Morris and Lisa Swiger are the Finance Cabinet's primary legislative contacts. Gary will handle most of the interaction with legislative members and staff and Lisa will be in charge of KLIR responsibilities. KLIR is the internal system that the executive

branch uses to keep track of legislation and all reviews from staff regarding how the proposed legislation may impact an agency's programs, policies, operations or budget.

As with any legislative session, activity picks up and many Finance cabinet employees take on extra duties primarily related to reviewing bills that the general assembly introduces. All reviews must be completed within 48 hours. So, if your supervisor asks you to help generate reports, help research what other states are doing, or something else—your quick attention to the matter is most appreciated.

Also, please note: if any legislator or LRC staff member contacts you directly to ask for information or the Finance Cabinet's stance on a bill, please let Gary Morris know. His email is gary.morris@ky.gov.

As always, a heartfelt thank you to everyone for their help throughout the legislative session!

Have a High School Senior at Home?

File FAFSA Early for better chance at state grants for college

If you have a high school senior at home who's planning to attend an in-state college or university this fall, they should file the 2015-2016 Free Application for Federal Student Aid (FAFSA) as soon as possible. Filing early increases their chance of receiving a state need-based grant administered by the Kentucky Higher Education

Assistance Authority (KHEAA).

The FAFSA is available at www.fafsa.gov.



A student attending a college or university in Kentucky may qualify for a College Access Program (CAP) Grant. To qualify, a student must show financial need and be enrolled at least half-time toward an associate's or bachelor's degree.

A student attending a Kentucky private college or university may qualify for a Kentucky Tuition Grant (KTG) in addition to a CAP Grant. To qualify for KTG, a student must show financial need and be enrolled full-time.

Funding for CAP and KTG is limited, with awards made on a first-come, first-served basis. Award amounts for the 2015-16 academic year will be set in the spring.

For more information about CAP and KTG, view the KHEAA-administered programs under the Paying for College section on www.kheaa.com or email grants@kheaa.com.

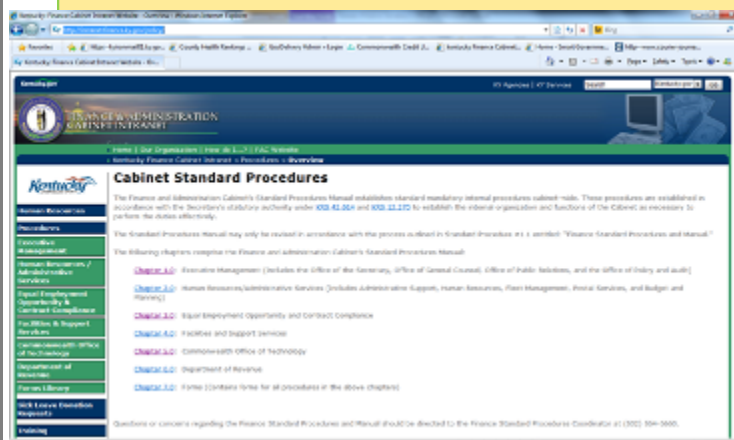
KHEAA is the state agency that administers the Kentucky Educational Excellence Scholarship (KEES), need-based grants and other programs to help students pay their higher education expenses. To learn how to plan and prepare for higher education, go to www.gotocollege.ky.gov. For more information about Kentucky scholarships and grants, visit www.kheaa.com; write KHEAA, P.O. Box 798, Frankfort, KY 40602; or call 800-928-8926, ext. 6-7372.

To all Finance Cabinet Employees:

Standard Procedures (SP) 1.1 and 3.3 have been revised and are posted on the Finance Intranet site.

SP 1.1 and supporting forms are related to overall Finance Cabinet procedures. SP 3.3 is the cabinet's policy on prohibiting sexual harassment and includes forms on how to file and retract complaints.

Both procedures can be found at <http://intranet.finance.ky.gov/policy/>.



Supervisors, please make sure copies are available for employees without work computers.